DEPARTMENT OF JUSTICE

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 2007

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2007 and the statement of changes in net assets for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2007 and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 8, 2007

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF NET ASSETS
As at March 31

	2007	2006
ASSETS		
Due from General Revenue Fund (Note 3)	$ 257,547	$ 285,605
NET ASSETS		
Trust account balances		
Orderly payment of debts program	$ 197,664	$ 209,744
Consumer proposals	22,640	22,141
Mediation of debts program	35,603	51,560
Tax enforcement proceedings	1,640	2,160
Net assets (Note 2b)	$ 257,547	$ 285,605

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2007	2006
ORDERLY PAYMENT OF DEBTS PROGRAM		
Receipts from clients	$ 1,411,119	$ 1,524,994
Payments to creditors	(1,209,095)	(1,301,115)
Application and administration fees	(214,104)	(229,826)
(Decrease) in net assets	(12,080)	(5,947)
Net assets, beginning of year	209,744	215,691
Net assets, end of year (Statement 1)	$ 197,664	$ 209,744
CONSUMER PROPOSALS		
Receipts from clients	$ 76,852	$ 91,285
Interest from General Revenue Fund (Note 3)	894	772
Payments to creditors	(61,437)	(76,961)
Application and administration fees	(15,810)	(25,144)
Increase (decrease) in net assets	499	(10,048)
Net assets, beginning of year	22,141	32,189
Net assets, end of year (Statement 1)	$ 22,640	$ 22,141
MEDIATION OF DEBTS PROGRAM		
Receipts from clients	$ 303,272	$ 321,499
Payments to creditors	(292,363)	(289,948)
Application and administration fees	(26,866)	(25,739)
(Decrease) increase in net assets	(15,957)	5,812
Net assets, beginning of year	51,560	45,748
Net assets, end of year (Statement 1)	$ 35,603	$ 51,560
TAX ENFORCEMENT PROCEEDINGS		
Receipts from property owners	$ 17,400	$ 19,180
Payments to municipalities	(120)	(140)
Application and administration fees	(17,800)	(18,260)
(Decrease) increase in net assets	(520)	780
Net assets, beginning of year	2,160	1,380
Net assets, end of year (Statement 1)	$ 1,640	$ 2,160

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

1. Legislative Authority

The Trust Accounts were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act, The Tax Enforcement Act,* Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Receipt and payment of trusts

Monies held in trust on behalf of clients are paid out to creditors through mutually agreed upon payment plans.

b) Net assets

Net assets are the total of the various trust monies held on behalf of persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act, The Tax Enforcement Act,* Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

c) Application and administration fees

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are payable to the Department of Justice.

3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice from monies appropriated by the Legislature for such purposes.

The Provincial Mediation Board's bank accounts, shown as due from General Revenue Fund, are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The bank account set up to handle Consumer Proposals earns interest that is calculated and paid by the General Revenue Fund on a monthly basis into the Trust's bank account using the Government's thirty day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty day borrowing rate for 2006-07 is 4.15% (2005-06 - 2.82%). Interest is allocated to clients based on their balances.

No interest is paid into the bank account used for the remaining programs.

4. Financial Instruments

Financial instruments consist of amounts due from General Revenue Fund. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The carrying value of these instruments approximates fair value due to their immediate or short-term maturity.